Appropriations Process

Navy Appropriations Matters Office (FMBE)

LCDR Steve Marty – Medical Affairs Action Officer, FMBE

FMBE Charter

- On behalf of ASN(FM&C), the Appropriations Matters Office (FMBE) coordinates all matters related to the House and Senate Appropriations Subcommittees on Defense and Military Construc

- Required by legislative direction since 1983 to be **separate from OLA:**

  - "The Committee directs that the budget liaison structure be returned to a status independent from legislative liaison influence and control and given the authority and manpower to respond directly to the Committee's factual information requirements".

Appropriations Committee Leadership

Senate Committee on Appropriations (SAC)

Subcommittee on Defense (SAC-D)

Daniel K. Inouye (D-HI) Chairman

Thad Cochran (R-MS) Ranking

House Committee on Appropriations (HAC)

Harold Rogers (R-KY) Chairman

Norman D. Dicks (D-WA Ranking

Subcommittee on Defense (HAC-D)

C.W. Bill Young (R-FL) Chairman

Norman D. Dicks (D-WA Ranking

SENATE APPROPRIATIONS COMMITTEE
SUBCOMMITTEE ON DEFENSE
112TH CONGRESS, 1st SESSION

Mr. Kohl (D-WI)

Ms. Mikulski (D-MD)

Ms. Feinstein (D-CA)

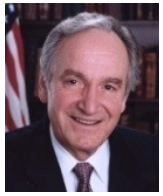
Mr. Inouye (D-HI) CHAIRMAN SAC & SAC-D

Mr. Cochran (R-MS) VICE CHAIRMAN SAC & SAC-D

Mr. McConnell (R-KY)

Mr. Shelby (R-AL)

Ms. Hutchison (R-TX)



Mr. Harkin (D-IA)

Mr. Leahy (D-VT)

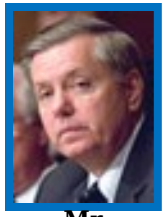
Ms. Murray (D-WA)

Mr Durbin (D-IL)

Mr. Alexander (R-TN)

Ms. Collins (R-ME)

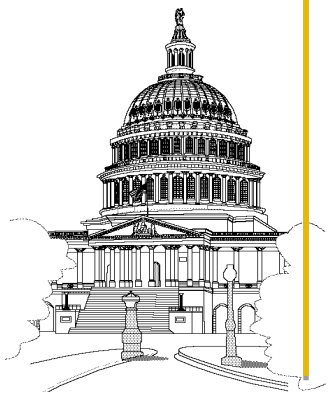
Ms. Murkowski (R-AK)



Mr. Graham (R-SC)

Mr. Johnson (D-SD)

Mr. Reed (D-RI)



Mr. Coats (R-IN)

New Committee Member

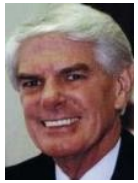
PREPARED BY: NAVY(FMBE), April 2011

HOUSE APPROPRIATIONS COMMITTEE
SUBCOMMITTEE ON DEFENSE
112TH CONGRESS, 1st SESSION

Kay Granger (R-TX-12)

Jack Kingston (R-GA-1)

Rodney Frelinghuysen (R-NJ-11)



Jerry Lewis (R-CA-41)

Harold Rogers (R-KY-5) EX-OFFICIO

C.W. Bill Young (R-FL-10) CHAIRMAN

Mr. Dicks (D-WA-6) RANKING HAC & HAC-D

Mr. Visclosky (D-IN-1)

Mr. Moran (D-VA-8)

Jo Bonner (R-AL-1)

Ander Crenshaw (R-FL-4)

Ken Calvert (R-CA-44)

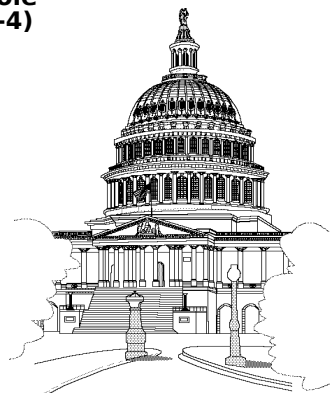
Tom Cole (R-OK-4)

Ms. Kaptur (D-OH-9)

Mr. Rothman (D-NJ-9)

Mr. Hinchey (D-NY-22)

New Committee Member



PREPARED BY: NAVY(FMBE), Mar 2011

Appropriations (Continued)

Senate Committee on Appropriations (SAC)

Subcommittee on Military Construction, Veterans Affairs, and Related Agencies (SAC MILCON)

Tim Johnson (D-SD) Chairman

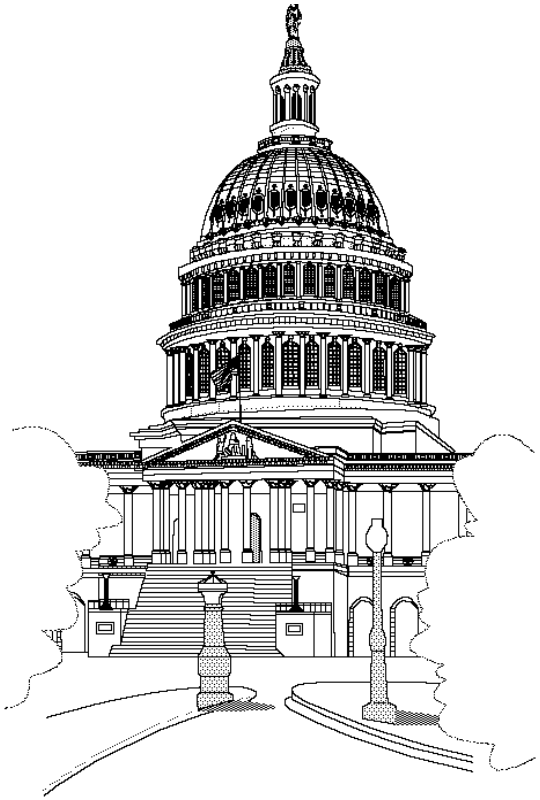
Mark Kirk (R-IL) Ranking

House Committee on Appropriations (HAC)

Subcommittee on Military Construction, Veterans Affairs, and Related Agencies (HAC MILCON)

John Culberson (R TX) Chairman

Sanford Bishop (D-GA) Ranking



“No money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law”[1]

[1] U.S. Constitution, Article I, Section 9.

The Appropriations Process

Budget Resolution – Sets Spending Limits: 302(a) Allocations

- Sets spending ceilings for the upcoming fiscal year.
- Distributes federal spending among 20 functional categories, such as national defense, agriculture, and transportation, and sets similar levels for each function.
- Includes revenue floors
- No Budget/Outlay Authority with Budget Resolution

Authorization Act – Authorizes Appropriations

- Establishes, continues, or modifies agencies or programs.
- Authorizes appropriations for specific agencies and programs, frequently setting spending ceilings for them.
- No Budget/Outlay Authority with Authorization Act

Appropriations Act 302(b) Allocations

- Provides new **budget authority** for the program, activity, or agency previously authorized.
- Congress is not required to provide appropriations for an authorized program.

OLA

FMB

Types of Appropriations Measures

Regular Appropriations Bills

- Provides most of the funding that is provided in all appropriations measures for a fiscal year, and must be enacted by October 1 of each year.

Continuing Resolutions

- If regular bills are not enacted by the deadline, Congress adopts continuing resolutions (CR) to continue funding generally until regular bills are enacted.

Supplemental Bills

- Considered later and provide additional appropriations.
  - e.g., Katrina, OCO, etc

FMBE Ro

Support President's Budget request with Appropriations Committees

- Assist in formulation of **Congressional Bud… Engagement Strategy**
- Support Budget **Hearings and Congressional Tes…**
- Aid in preparation of **Program Budget Briefs**
- Respond to Defense and Military Construction Subcommittee **requests for program information**
- **Coordinate Navy appeals** for Authorization and Appropriation committee adjustments to President's Budget request
- Coordinate and execute **travel** for subcommittee members, professional staff members, and associate staff members

We DO NOT:

- **<u>Lobby. This includes all DoN representatives who engage Congress</u>**

Notional Defense Appropriations Legislative Calendar

OCTOBER NOVEMBER DECEMBER JANUARY FEBRUARY MARCH APRIL MAY JUNE JULY AUGUST SEPTEMBER

BEGINNING OF FISCAL YEAR

CONGRESS CONVENES

PRESIDENT SUBMITS BUDGET

SECDEF, CJCS, & CINC TESTIMONY

BUDGET PROCESS

HBC — F — F — CONF — RES

SBC — F — F — CONF — RES

AUTHORIZATION BILL

HASC — SUBCOM — HASC — F — F — CONF — BILL — PRESIDENT

SASC — SUBCOM — SASC — F — F — CONF — BILL — PRESIDENT

APPROPRIATIONS BILL

HOUSE SUBCOM — HAC — F — F — CONF — BILL — PRESIDENT

SENATE SUBCOM — SAC — F — F — CONF — BILL — PRESIDENT

OCTOBER NOVEMBER DECEMBER JANUARY FEBRUARY MARCH APRIL MAY JUNE JULY AUGUST SEPTEMBER

F Floor Vote

CONF CONFERENCE

PB Rollout Timeline

- The President is required to submit his annual budget on or before the 1st Monday in February.
- OSD and Service budget roll-out briefings to media.
- Budget Justification Material (J-Books) to the Defense Committees.
- FMB budget roll-out briefings to Defense Committee Professional Staff Members (PSMs) and Military Legislative Assistants (MLAs): HASC, SASC, HAC-D, SAC-D, and CBO.
- SECNAV, CNO, and CMC Posture Hearings: HASC, SASC, HAC-D, and SAC-D.
- Program Briefings to Defense Committee PSMs and MLAs along with providing answers to **Requests for Information (RFIs) and Hearing QFRs**

Summary by Appropriation Title

FY 2012 Base Budget
OCO—$15B

MilPers: $46.6B, ~30%

- Basic Pays $18.5
- Housing Allowance $7.3
- Retired Pay Accrual $6.4
- Health Accrual $3.3
- Reserve Personnel $2.6
- Subsistence $2.0
- Allowances $1.8
- Special Pays $1.3
- Other $3.4

Navy Strength 325,700
Marine Corps 202,100

O&M: $47.9B, ~30%

- Ship Ops $12.1
- Aviation Ops $8.4
- Base Ops $7.5
- Marine Corps O&M $6.0
- Combat/Weapons Support $5.4
- Service Wide Support $4.7
- Training and Education $1.8
- Reserve O&M $1.6
- Environmental Restoration

Prevail in Current Conflicts

Infrastructure: $3.1B, 2%

- MILCON $2.5
- BRAC $0.1

Sustaining the Institution

Procurement: $45.8B, 30%

- Aircraft $18.6
- Ships $15.5
- Weapons Procurement $3.4
- Marine Corps Procurement $1.4
- Ammunition Procurement $0.7
- Other Navy Procurement $0.2

Focused Investment

R&D: $18.0B, 8%

- Basic Research $0.6
- Applied Research $0.8
- Advance Tech Dev $0.7
- Adv Component Dev $4.4
- System Dev & Demo

Balanced Portfolio

Management Support

**Numbers may not add due to rounding*

Hearing Process

- Witness provides written statement to the Committee before the hearing as part of the official record.
- Hearing preparation sessions for the witnesses:
  - Acquisition Issues
  - I&E and M&RA Issues
- Member Interest Grid and Probable Questions
- SECNAV/CNO/CMC Office Calls with Chairman and Ranking of Committee prior to hearing.
- QFRs/IFRs/Transcript resulting from the Hearing

Hill Perspective

Member Interests

Professional Staff Member balances competing interests & requirements against constrained top line.

Industry Concerns via Lobbyists

Constrained Top Line resulting from **Budget Resolution** and **Authorization Act**

President's Budget Request

FMBE

Tools available to the staffer

- Industry Interaction
- Member Interaction
- Personal Staff Interaction
- Budget Books and Briefs
- Hearings
- RFIs
- Travel

Conference Outcome

Account	Pres Budget	HAC	Change	SAC	Change	Conf	Change	Summary
Procurement of Ammunition, Navy/MC	**841**	**795**	**-46**	**814**	**-27**	**801**	**-40**	
General Purpose Bombs	**75**	**73**	**-2**	**75**	**0**	**73**	**-2**	Direct attack cost growth
Machine Gun Ammo	**20**	**12**	**-8**	**12**	**-8**	**12**	**-8**	Cost Growth
Practice Bombs	**34**	**29**	**-5**	**25**	**-10**	**28**	**-6**	-$9.3M Enhanced Laser Guided Training Round Cost Growth; $3.6M Enhanced Laser Guided Training Round
Cartridges and Devices	**51**	**48**	**-3**	**51**	**0**	**48**	**-3**	Support funding carryover
Air Expendable Counter Measures	**79**	**64**	**-15**	**69**	**-10**	**64**	**-15**	-$5M Support funding carryover, -$9.8M MJU-55 production termination
5"/54 Gun Ammo	**27**	**23**	**-4**	**27**	**0**	**23**	**-4**	Multi-option fuze growth
Small Arms and Landing Party Ammo	**43**	**34**	**-9**	**43**	**0**	**41**	**-2**	-$1.3M Tracer cartridge cost growth, -$1.7M APIT

EXAMPLE

Conference Appeals

Priority Department of Defense Budgetary Appeal
FY 2010 Defense Appropriations Bill

Subject: Standard Missile - 6 (SM-6)
Appeal Citation: H.R. 3326; H.Rpt. 111-230 p. 157 (8)
Appropriations: Weapons Procurement, Navy
Summary: The House reduced the request by $117.63 million based on concern that the SM-6 contract award will likely slip into FY2010.

	Budget Authority (Dollars in Millions)			
Item	Budget	House	Senate	Appeal
SM-6	249.2	131.6	-	249.2

DoD Position/Impact: The Department opposes the House reduction because it eliminates production of SM-6 in FY 2010 thereby impacting procurement costs, causing a production delay/break during the Low Rate Initial Production (LRIP) phase and further delaying the Navy's ability to meet Fleet requirements for an extended range air defense weapon by eighteen months to two years.

EXAMPLE

Milestone C authority was granted on 29 July by the Defense Acquisition Board (DAB). A not-to-exceed (NTE) letter contract update was agreed upon by Raytheon Missile Systems (RMS), with a planned contract award in mid-August 2009. Obligation of funding for the FY 2010 contract option is planned for March 2010.

The acquisition strategy prescribes negotiating LRIP Lot 1 in FY 2009 with priced options for LRIP Lots 2 and 3 to be funded in FY 2010 and FY2011, respectively, ensuring SM-6 is on track to begin delivery of production rounds in 2QFY 2011.

Without FY 2010 funding, completion of LRIP will be delayed 10-13 months, delaying a Full Rate Production decision by at least a year, resulting in a breach of the Acquisition Program Baseline (APB) for schedule. Program strategy for SM-6 included using LRIP rounds to support developmental/operational testing and simultaneous fleet load-out to pace the evolving threat. If the 26 missiles are not procured in FY 2010, SM-6 introduction in the fleet will be delayed from 2013 until approximately 2014-2015.

Since SM-6, SM-2 and AMRAAM share assembly lines, a gap in production will cause requalification of the production line and unplanned support labor costs. In addition to increasing program costs, this will result in further program delays as the Cost Certification review being conducted in support of the Weapons Reform Acquisition Act of 2009 will be delayed to take these cost impacts into account. This could result in a Nunn-McCurdy cost breach of the Acquisition Program Baseline.

The Department urges support of the President's budget request and restoration of full funding to the SM-6 System Development and Demonstration program to preserve the Navy's ability to meet Fleet requirements against a growing threat. The SM-6 Program has been on schedule and within cost estimates since its inception.

Appropriations Status

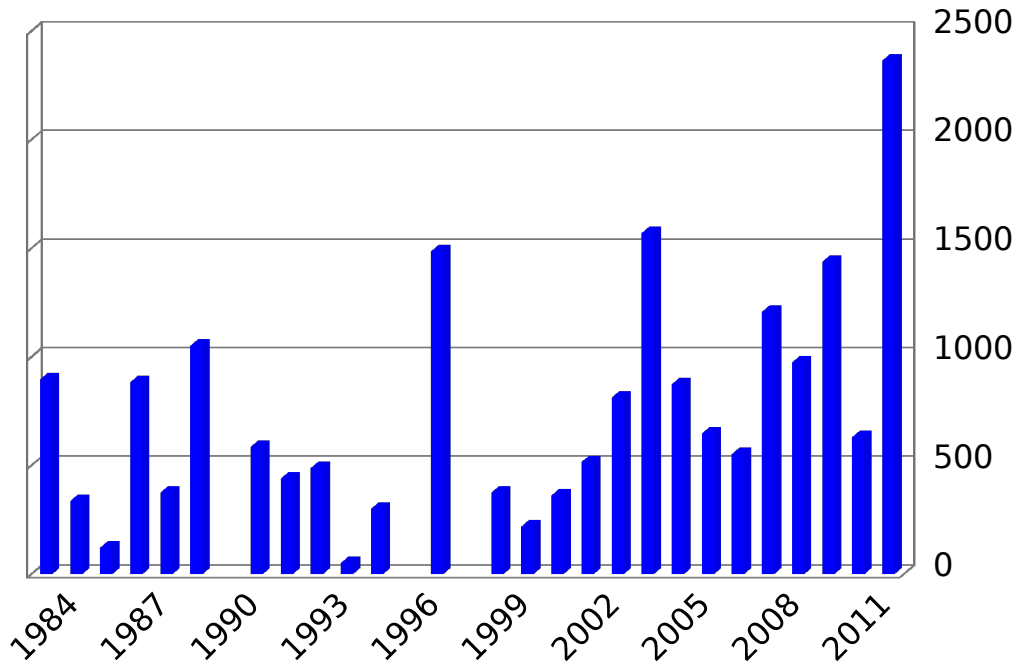
- FY12 Defense Appropriations Bill
- FY12 Military Construction Bill
- Debt Ceiling
- Budget Resolutions-Polarized Debate
  - 15 April HBC passes FY12 Budget Resolution
    - $6.2T in cuts over next decade, $4.4T deficit reduction. Chairman Ryan (R-WI) “Our Generations Defining Moment”
  - SBC-TBD, Chairman Conrad (D-ND) calls the House resolution “unreasonable and unsustainable”
- CR Potential
  - http://innovation.cq.com/media/billdays/

Bill Days/CRs

- A "bill-day" is a composite gauge of the scope of a short-term continuing resolution. Similar to the concept of "person-hours," it combines two measurements: the number of bills included in a continuing resolution, and the time it was in effect.
- This is the formula: bill-days = (number of bills) x (days covered).
- For each year the aggregate delay in bill-days is calculated by adding the totals for all short-term CRs.

Bill Days/CR

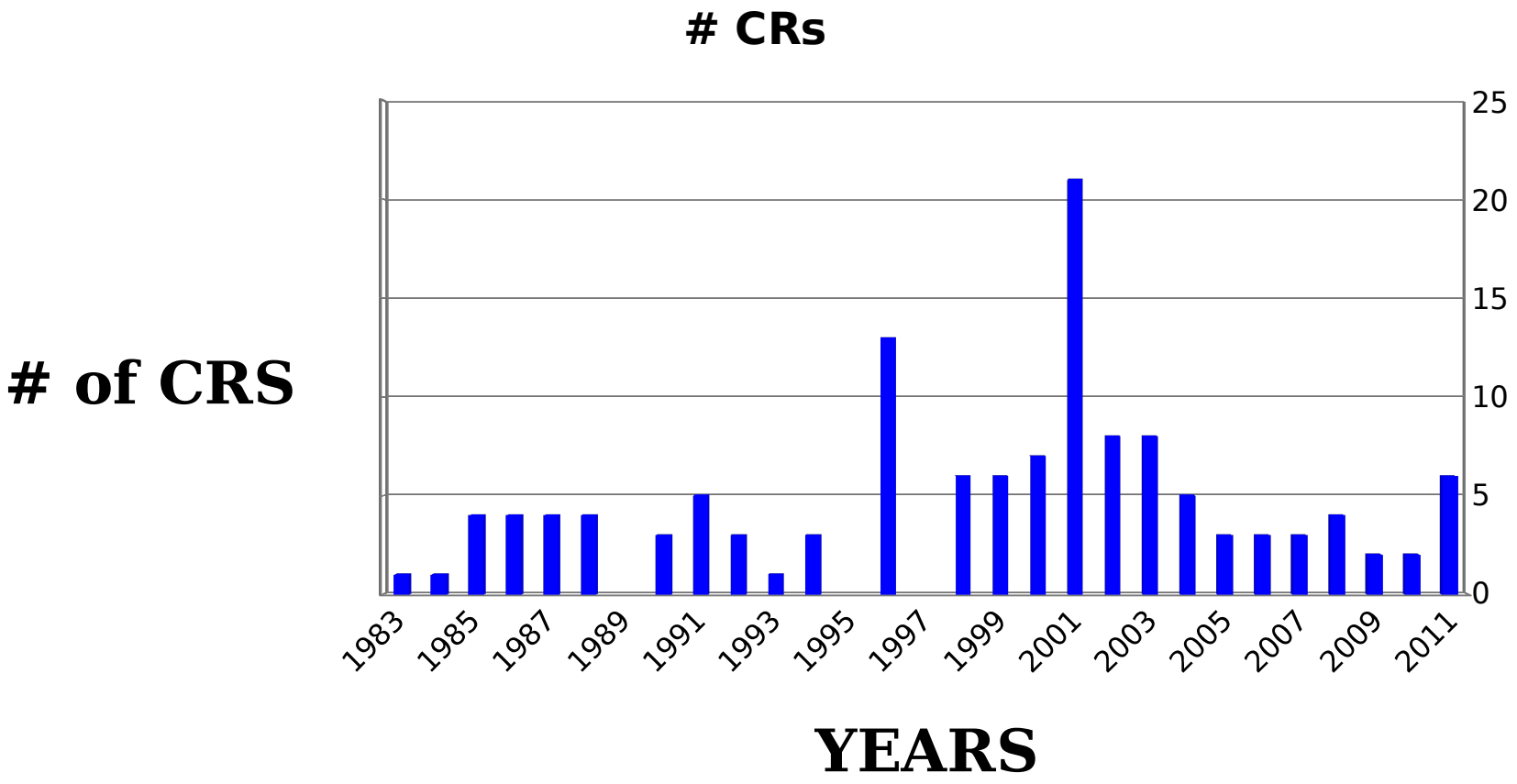
 # BILL DAYS



YEAR

Averages: 90-94’: 375 days, 95-99’: 417 days, 85-89’: 487 days, 00-04’: 828 days, 05-11’: 1,117 days,

Bill Days/CR



Averages: 85-89': 3, 90-94': 3, 95-99': 5, 00-04': 10, 05-11': 3

Navy Appropriations Matters Office (FMBE)

CAPT Karl Van Deusen
Director
(703) 692-6730 (w)
(703) 338-9824 (c)
karl.vandeusen@navy.mil

George DeFilippi
Congressional Support Branch Hd
(703) 692-4924 (w)
(571) 271-9630 (c)
george.defilippi@navy.mil

YN1(SW/AW) Mikel S. Cook
Congressional Support
(703) 692-6737 (w)
(703) 946-2657 (c)
mikel.cook@navy.mil

CDR Pete Courtney
Deputy Director
(703) 692-6735 (w)
(703) 203-4352 (c)
Peter.courtney@navy.mil

Ms. Pamela Harrison
Congressional Travel Manager
(703) 693-1434 (w)
pamela.harrison1@navy.mil

Congressional Liaison Portfolios

LCDR John Collins
Reserve Affairs, MILPERS, R&D, C4ISR, S&T
(703) 614-8656 (w)
(703) 963-5276 (c)
John.p.collins@navy.mil

CDR Marc Hone
ub Warfare: R&D, OPN, CN & INTEL Programs
(703) 692-6736 (w)
(703) 887-9401 (c)
marc.hone@navy.mil

LtCol Tom Osterhoudt, USMC Matters
(703) 692-6733 (w)
(703) 919-8336 (c)
omas.osterhoudt@navy.

CDR Brian Lindoerfer
MILCON, BRAC, FHN, ERN
(703) 692-1986(w)
(703) 946-5946(c)
brian.lindoerfer@navy.mil

CDR David Crosby
CVN SCN, OMN
(703) 692-6732 (w)
(703) 969-0970(c)
david.crosby1@navy.mil

CDR Chad Jungbluth
Air Warfare: APN, SAP, HAC S&I, R&D, OPN
(703) 693-1432 (w)
(703) 927-6235(c)
chad.jungbluth@navy.mil

LtCol Jared Hansbrough, USMC Matters
(703) 692-1695 (w)
(703) 403-3974 (c)
jared.hansbrough@navy.mil

CDR Kevin Carey
WPN, NWCF, PANMC
(703) 692-4923(w)
(703) 966-1069 (c)
kevin.l.carey@navy.mil

LCDR Sean Burke
Surface Warfare: SCN, R&D, OPN, NECC, MSC, Amphib SCN
(703) 692-6726 (w)
(703) 307-4399 (c)
Sean.k.burke@navy.mil

LCDR Stephen Marty
Medical Affairs
(703) 692-6734 (w)
(703) 835-7496 (c)
stephen.marty@navy.mil

Pentagon: 4C355

Main: (703) 692-6730

Fax: (703) 692-7345

9/8/16

Questions?